

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

APPLICATION SEEKING AUTHORITY TO PETITION)
THE COUNTY JUDGE EXECUTIVES OF ROBERTSON)
AND MASON COUNTIES, KENTUCKY, FOR)
ESTABLISHMENT OF A NEW WATER DISTRICT TO) CASE NO. 8333
BE KNOWN AS THE BUFFALO TRAIL WATER DISTRICT,))
TO BE FORMED BY THE MERGER OF THE CITY OF)
MT. OLIVET WATERWORKS SYSTEM AND THE BUFFALO)
TRAIL WATER ASSOCIATION, INC.)

O R D E R

On September 16, 1981, the City of Mt. Olivet Waterworks System ("City") and the Buffalo Trail Water Association, Inc., ("Association") filed an application for authority to petition the County Judge Executives of Robertson and Mason counties, Kentucky, for the establishment of a water district. The service areas and water systems of the City and the Association will be included in the new water district to be named the Buffalo Trail Water District.

A hearing was held on November 9, 1981, at the offices of the Commission in Frankfort, Kentucky. There were no intervenors and no protests were entered. Certain requests for additional documents and information were made by the Commission staff to which the City and the Association have responded.

1. The proposed combining of the water systems of the City and the Association into one water system should result in

sound and business-like management and ultimately in greater economies, less cost, and a higher quality of service to customers of the combined systems.

2. The City owns and operates a water treatment plant and a water distribution system which provide service to about 240 customers within its corporate boundaries and to some contiguous areas.

3. The Association owns and operates a distribution system and provides water service to about 335 customers located in eastern Robertson County and western Mason County. All of its potable water is purchased from the City.

4. The bondholders of the Association and the City have been made aware of the proposal to form a water district and have not objected.

5. The Association has negotiated a water purchase contract with the Western Fleming Water District. The City, as a third party to this contract, has agreed to purchase water from the Association. The City proposes to discontinue primary usage of its treatment plant as a source of treated water after the date it begins receiving water from the Association. The City's treatment plant is more than 20 years old and is in poor condition.

6. The only other water service available to residents of the proposed water district is from bulk water haulers. These water haulers have been made aware of the proposed water district and have made no objections to its formation.

7. The Commission should make no findings at this time about the specific details of the proposed merger of the City

and the Association. The Commission will address these matters when detailed financial agreements have been consummated with the bondholders of the City and the Association.

IT IS THEREFORE ORDERED that the Association be and it hereby is authorized to join with the City for the purpose of petitioning the County Judge Executives of Robertson and Mason counties for the formation of a water district as proposed in the application.

IT IS FURTHER ORDERED that the proposed incorporation of the service area boundaries of the Association and the City into the boundaries of the new water district be and it hereby is approved.

IT IS FURTHER ORDERED that the Association shall work with the City in its efforts to finalize those agreements essential to consummation of the merger of the Association and the City. Further, that signed copies of these agreements shall be filed with this Commission for the approval required to effect the merger.

IT IS FURTHER ORDERED that the Association shall file with this Commission a copy of the court orders of Robertson and Mason counties which establish the new water district.

Done at Frankfort, Kentucky, this 10th day of May, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katherine Gendall
Vice Chairman

Lew Carrigan
Commissioner

ATTEST:

Secretary